



Environmental Services Division
Energy and Waste Management Bureau

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EARLY ACTIVE HURRICANE SEASON BUOYS FUEL PRICES

DES MOINES — High oil prices, strong demand for gasoline and hurricane threats combined to drive prices to new record levels in early July. On July 15, the average price for a gallon of self-serve, regular gasoline in Iowa was \$2.22, a new record for the survey. This was \$0.16 higher than last month, and \$0.38 higher than this time last year (\$1.84 per gallon).

The average price for regular gasoline blended with ethanol was \$2.17 per gallon. The latest data shows that ethanol-blended gasoline represented 76 percent of all retail gasoline sold in May —another new monthly sales record. All auto manufacturers warrant the E10 blend of 10 percent alcohol and 90 percent gasoline for use.

Diesel prices rose as well, setting a new survey record on July 15 at \$2.38, up \$0.11 from last month, and \$0.64 higher than this time last year (\$1.74 per gallon). Diesel prices rose on increasing crude oil prices as well as concerns about potential supply shortfalls at the end of the year.

After surging past \$60 per barrel on hurricane fears, crude oil prices faded to \$58.10 on June 15, which was still \$2.53 higher than one month ago and 42 percent higher than last year (\$41.03). Prices rose on fears of damage to Gulf of Mexico production rigs, but declined as Tropical Storm Cindy, Hurricane Dennis and Hurricane Emily resulted in little lost production. Overall, prices are higher because the market is looking past summer towards possible shortage of heating oil in the coming fall and winter months.

“This month’s price spike illustrated how closely supply and demand are balanced,” said Jennifer Moehlmann, energy data analyst for the DNR. “Any news, good or bad, can have a tremendous impact on prices.”

To help consumers improve fuel efficiency, the Iowa DNR has placed tips and information on fuel savings and alternative fuels on its Web site at www.iowadnr.com. Tips include driving more efficiently, keeping vehicles tuned up and planning and combining trips. Consumers can also choose ethanol at the pump, purchase E85 for flexible fuel vehicles and choose biodiesel blends for diesel vehicles.

The DNR’s July 15 fuel price survey reported the average retail price of No. 2 heating oil was \$2.03 per gallon, \$0.10 higher than last month and 49 percent above last year’s price at this time (\$1.36 per gallon). This is the highest price for heating oil recorded by the survey, which began in 1980. The timing of the record is unusual, occurring during the middle of the summer, which is historically a low period for heating oil prices.

According to the survey, the average retail price of propane was \$1.24 per gallon, the same as the previous month and 23 percent above the retail price of propane at this time last year (\$1.01 per gallon).

On July 14, natural gas was trading at \$7.79/MMBtu, \$0.46 higher than last month and 32 percent above the price of natural gas at this time last year (\$5.92/MMBtu).

Although warmer weather has arrived, consumers shouldn't forget about high heating prices. Next year's prices are likely to be higher than this year, so consumers should take advantage of the spring and summer to make improvements to their homes' efficiency in anticipation of those increased heating costs. Tips for saving energy and money at home and on the road are available at www.EnergySavingTips.gov.

MOTOR FUELS SURVEY STATE AVERAGES

Self-Serve	June 15	July 15	Change
Regular Unleaded	2.06	2.22	+0.16
Regular Unleaded with Ethanol	2.00	2.17	+0.17
Premium Unleaded	2.12	2.31	+0.19
Diesel	2.27	2.38	+0.11

Source: Oil Price Information Service, www.opisnet.com

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	June 15	July 15	Change
Ames	2.06	2.23	+0.17
Cedar Rapids	2.09	2.25	+0.16
Council Bluffs	2.00	2.21	+0.21
Davenport	2.07	2.26	+0.19
Des Moines	2.07	2.19	+0.12
Dubuque	2.06	2.27	+0.21
Fort Dodge	2.05	2.24	+0.19
Iowa City	2.06	2.27	+0.21
Sioux City	2.03	2.24	+0.21
Waterloo	2.04	2.20	+0.16
Webster City	2.10	2.32	+0.22
Average Metro Price	2.06	2.24	+0.18

Source: Oil Price Information Service, www.opisnet.com

WHOLESALE PRICES IN METROPOLITAN AREAS IN IOWA

Unleaded Gasoline	June 9	July 7	Change
Des Moines	1.55	1.66	+0.11
Dubuque	1.56	1.67	+0.11
Ethanol	June 9	July 7	Change
Chicago	1.22	1.55	+0.33
Diesel Fuel	June 9	July 7	Change
Des Moines	1.70	1.80	+0.10
Dubuque	1.71	1.81	+0.10

Source: Oil Price Information Service, www.opisnet.com

HEATING FUELS SURVEY

	June 15	July 15	Change
Natural Gas	7.33	7.79	+0.46
Propane	1.24	1.24	N/C
#2 Heating Oil	1.93	2.03	+0.10

Sources: Wall Street Journal, Iowa Department of Natural Resources